

U.S. DEPARTMENT OF ENERGY
**Office of Electricity, Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

August 22, 2005

Highlights, Major Developments

Memphis Gasoline Supply Very Tight

Supplies of gasoline in the greater Memphis, Tennessee area were extremely tight over the weekend, and continue to be so with allocations reported among all suppliers. Some gasoline stations ran out of gasoline over the weekend. The good news is that Premcor's 180,000 b/d Memphis refinery knocked out by a power outage on August 12 is once again making gasoline. Normal distribution in Memphis may take several more days, assuming no more outages. Other U.S. refineries also had problems that exacerbated the situation in Memphis. See refinery stories under Petroleum section.

OPIS Price Watch Alert, 1126 August 22, 2005

Electricity

Update – PG&E to Increase Inspections Following Transformer Explosion

Pacific Gas and Electric announced that it will increase inspections of its underground electric equipment following the explosion of a transformer in the financial district of San Francisco on Friday. The explosion did not cause any power outages but did lead to the evacuation of several nearby buildings. (For additional details, see EAD August 19, 2005.)

<http://biz.yahoo.com/prnews/050819/sff037.html?.v=16>

<http://biz.yahoo.com/prnews/050820/nysa014.html?.v=10>

32,000 Dominion Virginia Power Customers Lose Power Early Saturday

More than 32,000 people - as well as the Siemens fuel injector plant and Newport News/ Williamsburg International Airport - lost electricity early Saturday, Dominion Virginia Power said. Although the cause of the outage was undetermined, power was restored to all customers with two hours.

<http://www.dailypress.com/news/local/dp-71192sy0aug21.0.4463136.story?coll=dp-news-local-final>

18,000 Allegheny Power Customers Lose Power in Saturday Evening Storm

An Allegheny Power Co. spokesman reported at 9 p.m. that about 18,000 customers were without power in Southwestern Pennsylvania, including 8,000 in Washington County and some 2,200 in Greene County. In Greene County power had been restored to all but about 600 customers by 9:15 p.m.

<http://www.observer-reporter.com/284063234309371.bsp>

14,000 Customers in Upstate New York Lose Power Monday Morning

About 14,000 Hamburg residents were without power this morning. NYSEG officials say electricity went out around 2:30am. Although the cause of the outage was undetermined, power was restored around 5:00am.

http://www.wgrz.com/news/news_article.aspx?storyid=30840

Nine Mile Point Output Drops After Restarting

The 565 MW unit 1 at Constellation Energy Group's Nine Mile Point nuclear generating station cut output to 50 percent of capacity by Monday morning when a problem was discovered with a feed-water pump. The unit had reached full power after being shut down on August 18.
Bloomberg, 11:39, August 22, 2005.

Brunswick Unit 2 Drops to 82 Percent, Unit 1 Drops to 90 Percent

The 900 MW unit 2 at Progress Energy's Brunswick nuclear generating station dropped to 82 percent of capacity by early Monday morning according to the daily status report of the Nuclear Regulatory Commission. At the same time, the 938 MW unit 1 dropped to 90 percent of capacity, down from 100 percent on Friday.
Reuters 7:35, August 22, 2005.

Petroleum

See highlights above.

Continued Refinery Glitches Over Weekend Add to Memphis Area Gasoline Woes

OPIS Price Watch Alert, 1009, August 22, 2005

Update - Alkylation Unit at Citgo's Corpus Christi Refinery Back Up

An alkylation unit at Citgo's 165,000 b/d refinery Corpus Christi refinery that shut down on August 18 returned to service during the afternoon of August 19.
Reuters 12:32, August 22, 2005.

Update – Repairs at Alon's Big Spring Refinery Completed

Output at Alon's 61,000 b/d Big Spring refinery in Texas has been restored following a brief cut in runs to repair a crude vent gas compressor. According to the company, the production lost during the cutback has been made up.
Reuters 11:49, August 22, 2005.

Update - Operations at PDVSA's Amuay Refinery Restored Following Fire

Operations at PDVSA's 635,000 b/d Amuay refinery in Venezuela have been restored following a fire that broke out when the refinery was hit by lightning. No units were damaged and production has returned to somewhat more than 400,000 b/d, the level of production before the fire.
Reuters 11:10, August 22, 2005.
OPIS 15:14, August 22, 2005.

Update - Valve Fails at ExxonMobil's Beaumont Refinery

ExxonMobil reported that a bypass valve failed at its 363,100 b/d Beaumont refinery in Texas. The valve is on a hydrocracker butane absorber. There was no information as to the when the unit would be returned to service or if the problem had any impact on production.
Reuters 10:57, August 22, 2005.

Ecuador Opens Talks with Protesters

The government of Ecuador has opened talks with the protesters whose actions forced the government to declare force majeure last week. Although production has increased by some 35,000 b/d, exports remain suspended and although work is proceeding to repair damage done by the protesters to the fields, full restoration of production could take some months.
Reuters 14:13, August 22, 2005.
Reuters 10:37, August 22, 2005.

Exports from Basra Interrupted but Resume

According to an unnamed Iraqi source, power has been restored to allow oil exports from Basra to resume. A power outage that some sources attribute to sabotage, shutdown tanker loadings which had been averaging 1.5 million b/d. However, according to a Dow Jones report, the outage reduced tanker loadings to about one third of normal as auxiliary pumps were used to load the waiting tankers. The outage began at 7 am and power to the pumps was restored by the afternoon.

<http://abcnews.go.com/International/wireStory?id=1058481&CMP=OTC-RSSFeeds0312>

Reuters 6:22, August 22, 2005.

Nigerian Protesters Lift Siege – Production Restored

Shell has restored production in Nigeria after protesters ended their siege of Shell facilities. Shell agreed to meet with the protesters to discuss compensation for an oil spill that occurred in 2003. (For more information on the situation see EAD August 17, 2005)

Reuters 6:44, August 22, 2005.

Storm Closes Russia's Principal Black Sea Port – Bottles Up 900,000 b/d

Russia's principal Black Sea oil port was closed by a storm on Saturday. Reports from the area on Monday, August 22 indicate that officials believe that the port could be reopened sometime Monday night or Tuesday morning. Approximately 900,000 b/d are exported through the port of Novorossiisk.

Reuters 6:26, August 22, 2005.

Shell Shuts in 10,000 b/d of North Sea Production

Shell has shut down some 10,000 b/d of crude oil production following the discovery of a leak on its Bravo platform in the North Sea. The leak was discovered on August 18 and the company has stated that the platform will remain closed until the source of the leak has been determined and repairs completed.

Reuters 11:38, August 22, 2005.

New Jersey Joins List of States to Ban MTBE

New Jersey Acting Governor Richard J. Codey signed a bill Thursday that will ban the sale of gasoline blended with methyl tertiary butyl ether (MTBE), starting in January 2009. New Jersey becomes the 25th state to ban MTBE.

Oil Daily, August 22, 2005

Natural Gas

Sunrise County Economic Council Endorses Downeast LNG's Facility in Maine

The council endorsed the plan to construct an LNG facility in Robbinston, Maine on August 17.

<http://www.downeastlng.com/>

Other News

Department of Energy to Test Nuclear Site Security

The U.S. Department of Energy plans to test whether U.S. nuclear installations could withstand terrorist truck-bomb attacks. DOE will detonate two such bombs in the eastern Idaho desert.

http://www.tdn.com/articles/2005/08/18/area_news/news06.txt

Energy Prices

	Latest (08/22/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	65.46	66.21	46.00
NATURAL GAS Henry Hub \$/Million Btu	9.44	9.53	5.34

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays

ENSEC threat awareness blog site from Energy Assurance

<http://ensec.blogspot.com>